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**Kia Motors Europe GmbH (Kia) comments on the  
DRAFT COMMISSION NOTICE - Supplementary guidelines on vertical restraints in  
agreements for the sale and repair of motor vehicles and for the distribution of  
spare parts for motor vehicles**

Frankfurt, 10.02.2010

Dear Mr. Lowe,

Kia appreciates that the Commission has certainly taken Kia's concerns into account that non-compete obligations in vertical agreements can have negative effects depending on the market circumstances. Nevertheless, we would like to emphasise that overcoming a "free-rider problem" by non-compete obligations seems to provide for a protection of very well established market participants instead of creating competition to the advantage of the customers.

Furthermore, the development of a clear brand image and reputation to be recognized by customers as distinctive criterions will – from a customer's perspective – only work in competitive surroundings and not where non-compete obligations are imposed on dealers. Kia strongly believes that non-compete obligations especially in concentrated markets like metropolitan areas will result in a displacement of minor brands with the long term effect of increasing prices. Therefore and to avoid repetition we would like to refer to our letter dated 24<sup>th</sup> of September 2009 and would like to stress that in our opinion any restrictions on same showroom multi-branding will raise barriers to entry and expansion and thereby will harm the consumers especially by limiting the choice of products.

With kind regards  
KIA Motors Europe GmbH



Sun Young Kim  
President (CEO)



Paul Philpott  
COO